

72 **GUIDE TO INVESTMENT AND FINANCE**

in the original lease from A to B, that lease and the sub-lease to C (which depends upon the former) become forfeited, and A, or his heirs or assignees, can absolutely claim the *whole* of the properties upon the entire land without compensation.

Without entering into any further explanation of the possible troubles attached to the purchase of a leasehold ground-rent, the investor will perceive that such a purchase lies outside his prudent regard.

Many other varieties of investment in different forms might be cited, but the survey would become tedious, especially as the general and specific rules advocated in this book are universally applicable, or can readily be adapted to each description. The necessity expressed throughout of individual care and judgment upon the materials collected in each instance for decision is confirmed by the consideration which we have devoted to every principal form of investment.

The limitations of human foresight, as I have stated, must necessarily involve risks in ventures, however skilfully and presciently they have first been studied. The following illustration shows how the most unanticipated factor in the depression of values may intrude. One would have imagined that mortgages and purchases of properties in attractive residential quarters of the West End of London (particularly those possessed of airy and spacious streets) would be permanently stable. And yet the introduction of motor cars and motor carriages, with the vibrations they create, their noise and smell, have, in many instances, produced a most seriously adverse effect upon the value of these securities and investments.

Every investor should prepare, and write-up as investments are made, the following simple books—

1. A register of his securities; specifying in respect of each—

(1) The number (1, 2, 3, 4) of the investment (or mortgage):

(2) The name of the government, corporation, company,

and so on, whose obligations, stocks or shares, have been bought; and in mortgages the name and address of the borrower.

(3) The precise nature of the investment (or security),